



Senate

General Assembly

File No. 376

February Session, 2012

Substitute Senate Bill No. 407

Senate, April 11, 2012

The Committee on Planning and Development reported through SEN. CASSANO of the 4th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING THE ASSIGNMENT OF MORTGAGE DEBTS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (g) of section 49-10 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective July*
3 *1, 2012*):

4 (g) Any assignment of a mortgage debt shall be recorded. If an
5 assignment is presented for recording more than sixty days after such
6 assignment, the person presenting such assignment for recording shall
7 pay to the town clerk a surcharge equal to two hundred dollars for
8 each week or part of a week following the expiration of the sixty-day
9 period, up to a maximum amount of five thousand dollars.
10 Recordation of an assignment of mortgage debt is not sufficient notice
11 of the assignment to the party obliged to pay for purposes of
12 subsection (d) or (e) of this section.

This act shall take effect as follows and shall amend the following sections:		
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Section 1	<i>July 1, 2012</i>	49-10(g)
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Statement of Legislative Commissioners:

In the second sentence of section 1, "the person recording such assignment" was changed to "the person presenting such assignment for recording" for accuracy.

PD *Joint Favorable Subst.-LCO*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact:

Municipalities	Effect	FY 13 \$	FY 14 \$
All Municipalities	Potential Revenue Gain	Minimal	Minimal

Explanation

The bill results in a potential minimal revenue gain if a mortgage lending institution fails to comply with provisions of the bill which requires the lending institution to record any mortgage debt assignment in the town's records. The penalty surcharge could range from \$200 to \$5,000.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**sSB 407*****AN ACT CONCERNING THE ASSIGNMENT OF MORTGAGE DEBTS.*****SUMMARY:**

This bill requires a mortgage debt assignment to be recorded in the records of the town where the property that is the subject of the mortgage is located and penalizes those who fail to do so in a timely fashion.

Under the bill, a person (e.g., lending institution) that presents an assignment for recording more than 60 days after it is made must pay the town clerk a \$200 surcharge for each week or part of a week that it is late, up to a maximum of \$5,000.

BACKGROUND***Related law***

PA 11-201 eliminated the option for anyone acquiring title to a property through a foreclosure to register with Mortgage Electronic Registration Systems (MERS). Registration of such property must be with the municipality, not MERS, and mailed or delivered to the town clerk.

COMMITTEE ACTION

Planning and Development Committee

Joint Favorable

Yea 17 Nay 4 (03/23/2012)